



Full year results 2018

Lars Brorsen (CEO)
Dr. Christian Terlinde (CFO)

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Business highlights – FY 2018



Financial highlights – targets reached		Goals 2018	
Sales	Organic group sales +9.9%	high-single-digit % growth	<input checked="" type="checkbox"/>
	Reported sales +7.7% to €755.4m All regions contributing to the positive outcome		
Earnings	Adjusted EBITDA +5.3% to €99.7m	mid-single-digit % growth	<input checked="" type="checkbox"/>
	Adjusted EBIT +6.3% to €81.2m	mid-single-digit % growth	<input checked="" type="checkbox"/>
	Adjusted EBIT margin at 10.7% despite rising costs from raw material, personnel and freight (2017:10.9%)		
Finance	Net working capital in % of sales at 18.5% (2017: 18.6%)	<20%	<input checked="" type="checkbox"/>
	Leverage improved to 0.85x (2017: 1.20x)	<1.0x	<input checked="" type="checkbox"/>
	Investments +3% to €19.9m with capex stable at 2.6% of sales	~2.5%	<input checked="" type="checkbox"/>
EPS	Net earnings grew significantly to €53.5m (2017: € -62.8m) and EPS to €3.59 (2017 pro forma: € -4.22m)		

Operation highlights



Relocation of production plant from Shanghai to Wuhan in China completed successfully with additional ramp-up costs phasing out in Q2 2018



Successful increase of production capacity in our U.S. plant, allowing us to seize further market shares in the U.S. and profit from strong market growth



In the U.S. we were able to convince new OEMs to select JOST as supplier for their fifth wheel “standard position” strengthening our market position in the region



Increase of geographical footprint by establishing two new production sites – one in Turkey and one in Thailand – as well as a new sales subsidiary in New Zealand

Dividend proposal and outlook 2019



The Management board proposes to increase the dividend for fiscal year 2018 to €1.10 per share (2017: €0.50). The dividend is tax free for German tax-residents.

2019

JOST expects sales and earnings in 2019 to grow in a low-single-digit percentage range compared to the previous year, provided that macroeconomic and political uncertainties do not worsen during the course of the year

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Market development outlook 2019



	Europe	North America	APA
Truck	<p>0%</p> <p>Flat on high level</p>	<p>5-10%</p> <p>Continued growth on top of a strong year 2018</p>	<p>(15)-(10)%</p> <p>Market slow down expected to continue</p>
Trailer	<p>(10)-(5)%</p> <p>Slowing market expected following a strong 2018</p>	<p>(5)-(0)%</p> <p>Slowing market following strong increase in 2018</p>	<p>(5)-(0)%</p> <p>Slowing demand</p>

Note: Market estimates based on LMC, Clear Consulting and FTR

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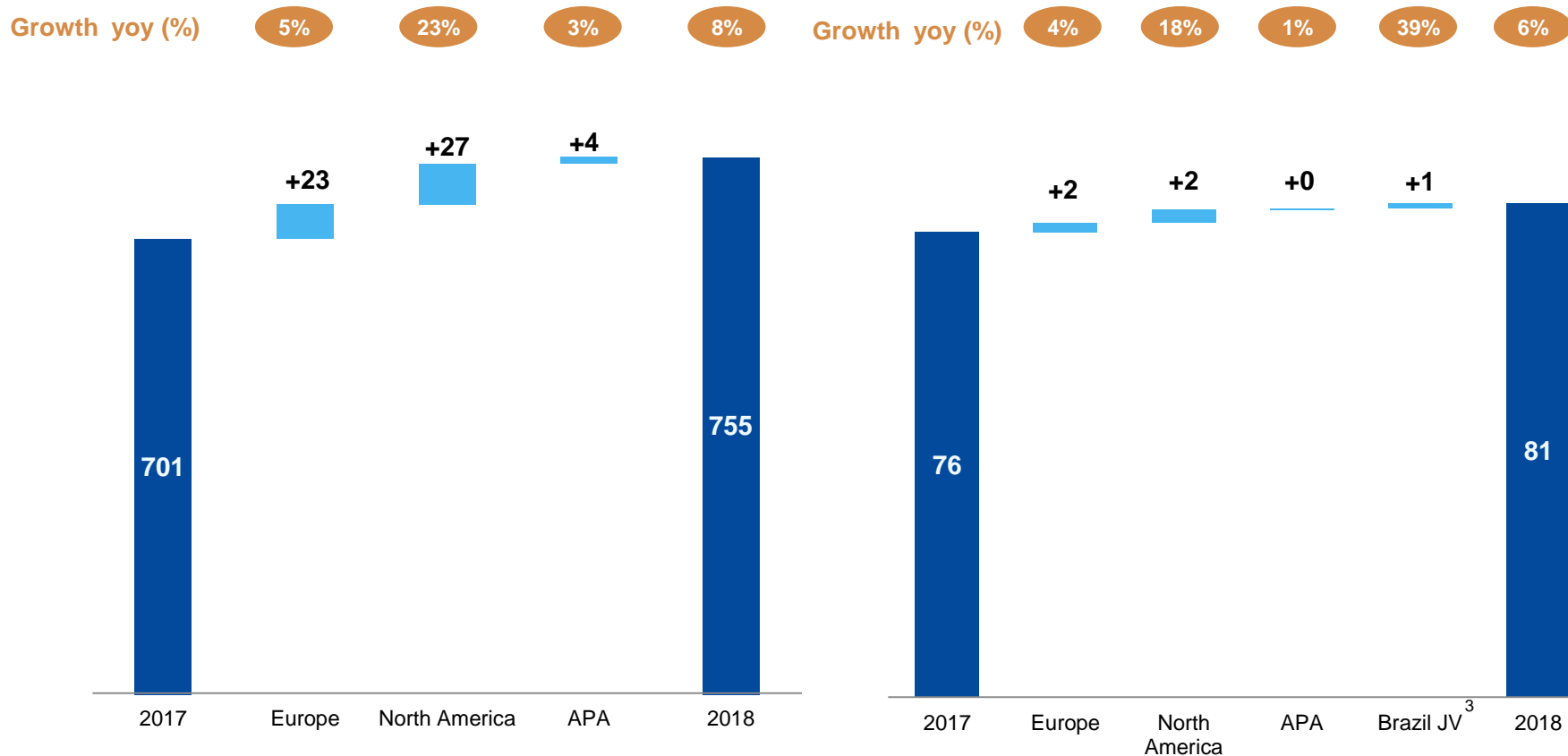
Development by region – Sales & adjusted EBIT FY2018



All segments contributed to sales and earnings growth in 2018, reaching record levels

Sales¹ (€m)

Adjusted EBIT² (€m)



¹ Reported sales figures do not include sales of Brazil JV

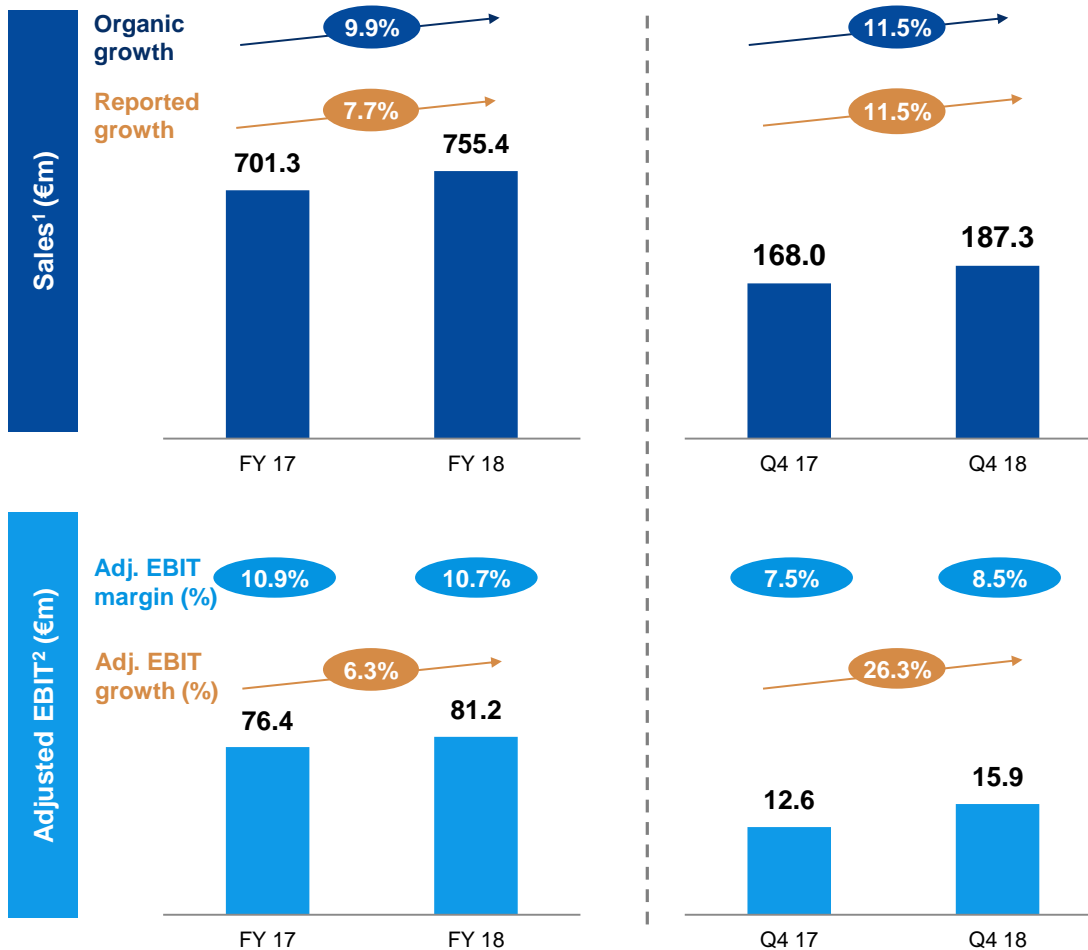
² Operating profit adjusted for PPA effects and exceptionals

³ Pro-rata net income from Brazil JV not allocated to segments and therefore shown separately

Group – Record FY sales performance resulting in strong earnings growth



Key financials



Key highlights

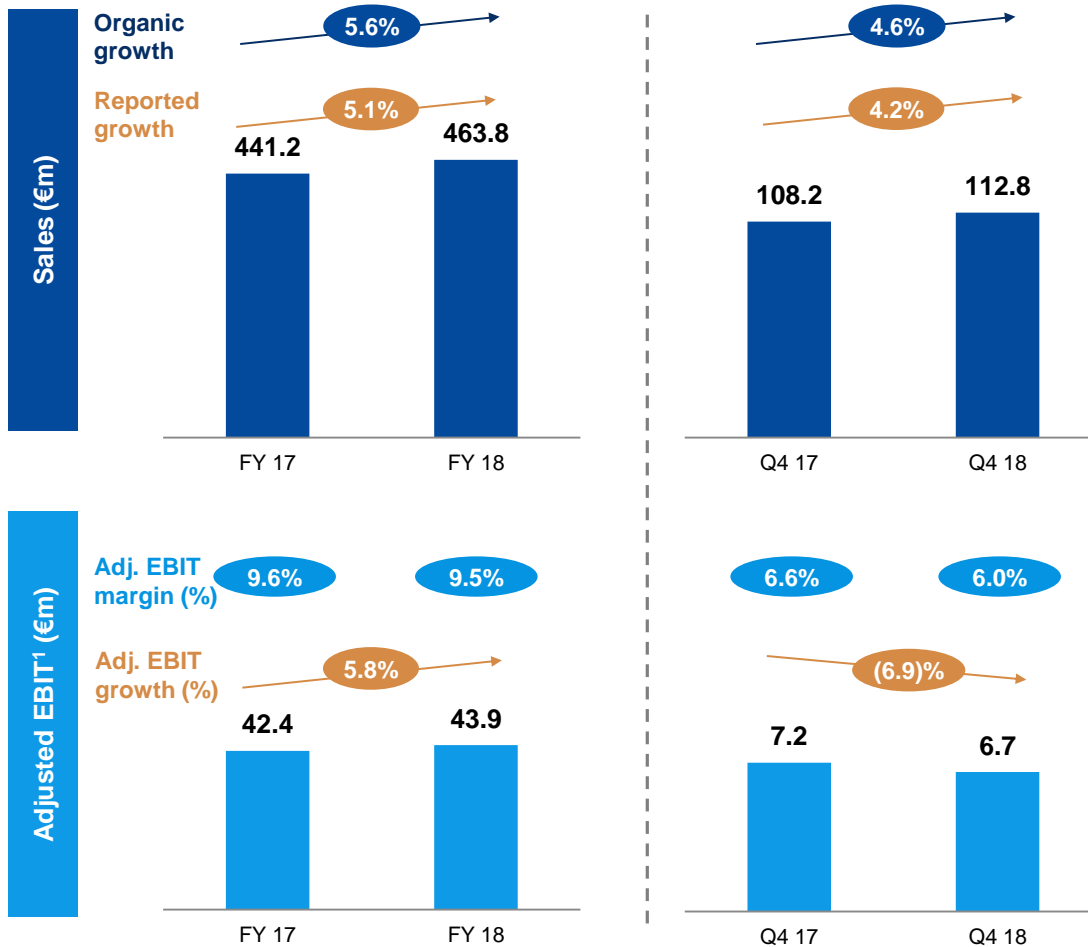
- ❖ Prior year sales exceeded in all regions
- ❖ Growth in 2018 driven by high activity level in North America with market share gains and supported by performance in Europe and APA
- ❖ Seasonal effect in Q4 offset by strong demand in North America
- ❖ Adj. EBIT in 2018 grew by 6.3%, supported by an acceleration of adj. EBIT growth in Q4 2018.
- ❖ Main reasons: dynamic sales growth offsetting typical seasonality and efficiency improvements in North America due to better operating-leverage

¹ Reported sales figures do not include sales of Brazil JV
² Operating profit adjusted for PPA effects and exceptionals

Europe – Solid sales development and improved margins



Key financials



Key highlights

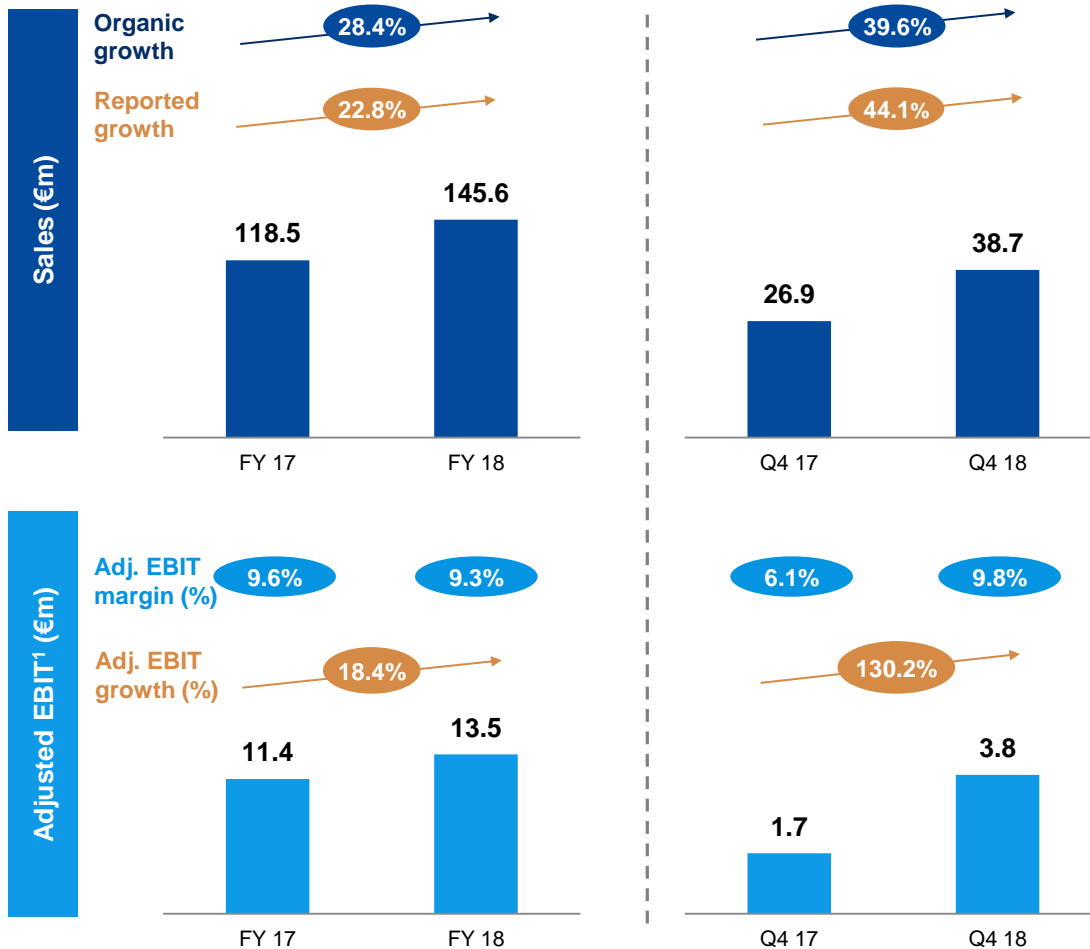
- ❖ Solid sales growth on an elevated level in all product groups in 2018
- ❖ Market momentum continued in Q4 contributing to growth
- ❖ Adj. EBIT increased by 5.8% in 2018
- ❖ Adj. EBIT margins remained mostly stable over the course of the year reaching 9.5%
- ❖ Margin decline in Q4 due to increasing personnel costs as well as on-going bottlenecks in the supply chain.

¹ Operating profit adjusted for PPA effects and exceptionals

North America – Accelerated topline growth and market share gains



Key financials



Key highlights

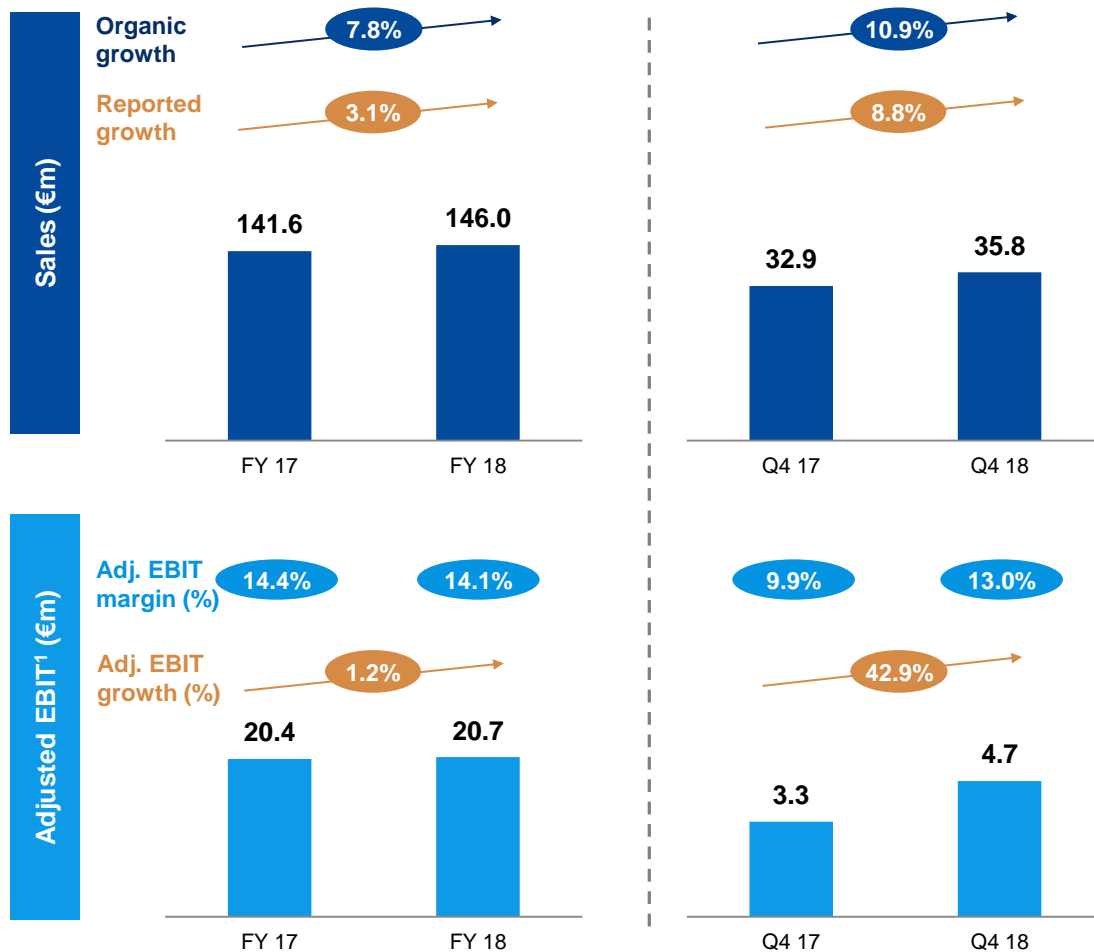
- ❖ Sales growth accelerated in North America driven by growing truck and trailer demand as well as market shares gains
- ❖ Headwind from currency effects slowed down in H2 and turned into tailwinds in Q4
- ❖ Adj. EBIT grew by 18.4% in 2018 with Adj. EBIT in Q4 improving impressively as typical seasonality was completely offset
- ❖ Margin improvement in Q4 due to operating leverage and higher level of automation in production.
- ❖ Raw material price adjustments clauses came in effect in Q3 and Q4, reducing negative impact of costs increases in H1

¹ Operating profit adjusted for PPA effects and exceptionals

APA – Strong sales growth continued despite weaker overall market



Key financials



Key highlights

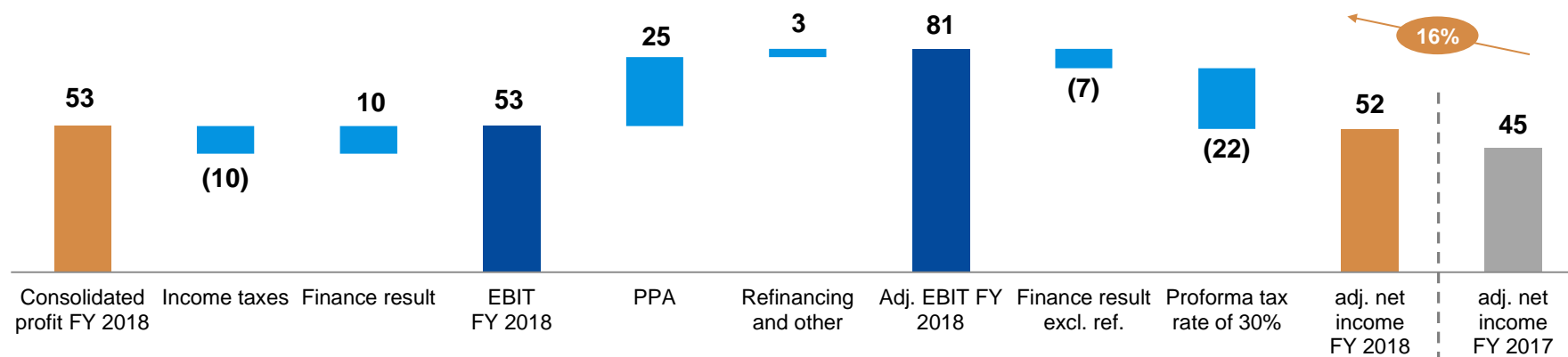
- ❖ Organic growth of 7.8% in 2018, further accelerating in Q4 to reach 10.9%
- ❖ JOST was able to perform well in the APA region despite weaker Chinese truck and trailer markets in 2018
- ❖ Adj. EBIT grew by 1.2% in 2018. Main reasons for slower growth were additional costs due to plant relocation to Wuhan in H1 and ramp-up costs for the new subsidiaries in Thailand and New Zealand.
- ❖ Raw material price increases also affected margins in the region.
- ❖ Margins in Q4 2018 improved significantly, as Q4 2017 was still affected by the costs of the plant relocation

¹ Operating profit adjusted for PPA effects and exceptionals

Net income and EPS improved significantly in 2018



Reconciliation of adjusted earnings



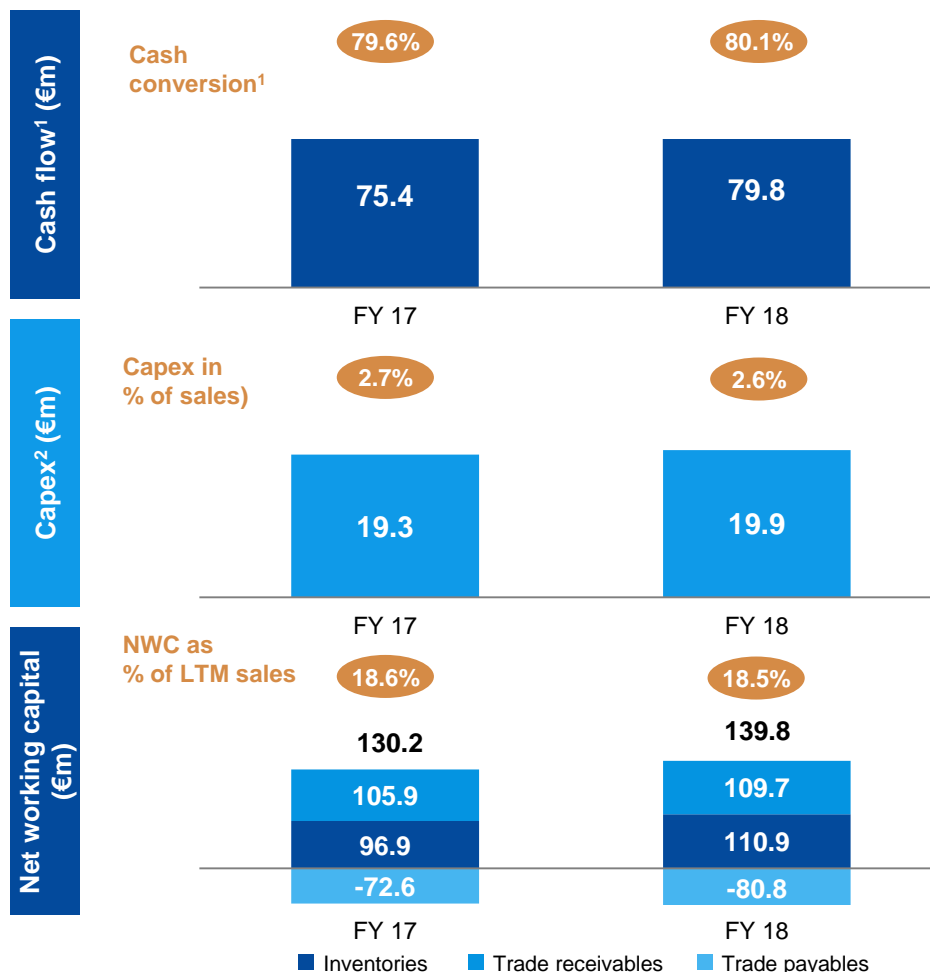
Key highlights

- ❖ Adjustments to EBIT mainly from amortization of PPA (non-operating); other exceptionals were advisory fees in the context of the refinancing
- ❖ Taxes in 2018 include a one-off positive income tax effect from the capitalization of further deferred tax loss carryforwards in the context of the refinancing amounting to €17.2m.
- ❖ Reported EPS rose to €3.59 (2017 pro-forma: € -4.22)
- ❖ Adjusted EPS grew by 15.7% to €3.46 (2017 pro-forma: €2.99)

Strong cash generation and good working capital management



Key financials overview



Key highlights

- ❖ Cash conversion improved further in 2018
- ❖ In 2018 capex grew to €19.9m and stood stable at 2.6% of sales.
- ❖ Investment focus on new production machines in North America to increase automation
- ❖ Working capital increased in line with higher activity levels.
- ❖ NWC as % of sales improved slightly to 18.5% by year end (target <20%)

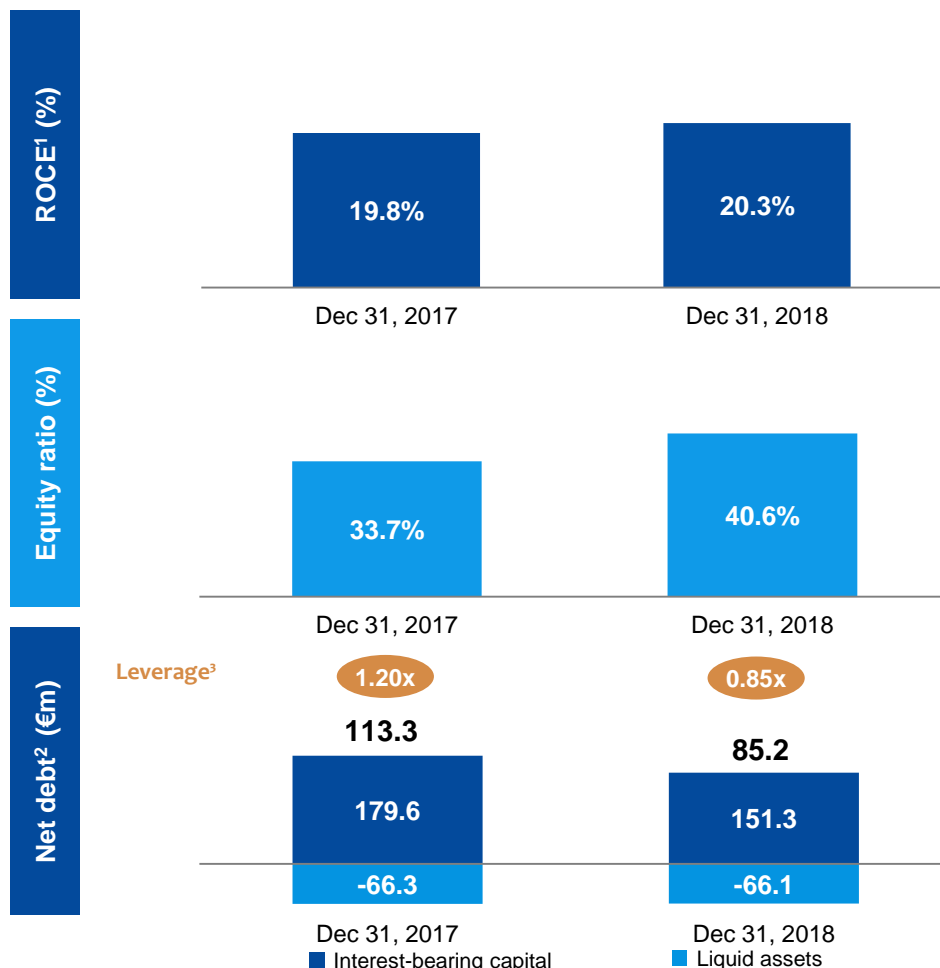
¹ Cash flow defined as adjusted EBITDA – capex; cash conversion defined as (adjusted EBITDA – capex)/adjusted EBITDA

² Capex calculated as payments to acquire property, plant and equipment as well as intangible assets

Equity ratio and net debt significantly improved



Balance sheet overview



Key highlights

- ❖ ROCE improved to 20.3%
- ❖ Equity ratio improved to 40.6% as a result of growing net income accompanied by a significant reduction of long-term debt
- ❖ Leverage improved to 0.85x
- ❖ Net debt significantly reduced to €85.2m
- ❖ Liquid assets stable at €66.1m after repaying long-term debt by €30m and dividend payment of €7.5m

¹ ROCE=LTM adj. EBIT / interest bearing capital employed (interest bearing capital: equity + financial liabilities (excl. refinancing costs) – cash + provisions for pensions)

² Net debt = Interest-bearing capital (excl. refinancing costs) – liquid assets

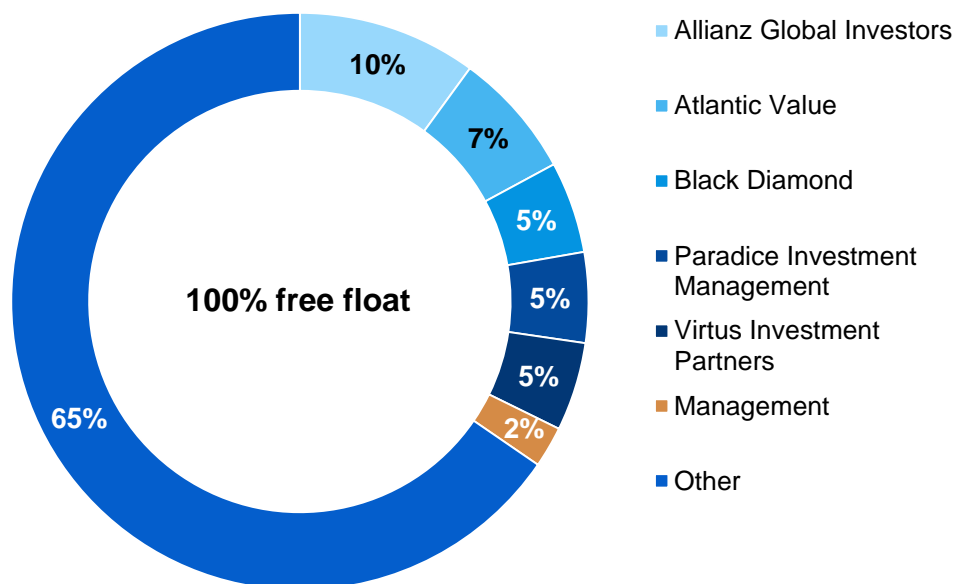
³ Leverage = Net debt/LTM adj. EBITDA

Shareholder structure and growing earnings and dividend per share



Shareholder structure as of March 20, 2019¹

Earnings per share & dividend proposal



(€)	FY 2017	FY 2018
EPS	(4.22)	3.59
Adj. EPS	2.99	3.46
Proposed DPS	0.50	1.10

¹ According to German stock exchange definition 100% of shares qualify as free float

² current members of management board hold 2.45% of shares

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JOST Werke Guidance for FY 2019



	FY 2018	Outlook 2019 ¹
Sales	755	Low-single-digit % growth
Adjusted EBITDA	100	Low-single-digit % growth
Adjusted EBIT	81	Low-single-digit % growth
Adjusted EBIT margin	10.7%	Stable
Capex ² (in % of sales)	20 (2.6%)	~2.5% of sales
Net working capital (in % of sales)	140 (18.5%)	<20%
Leverage ³	0.85x	<0.85x

¹ The outlook is based on the assumption of a stable macroeconomic and political environment in 2019

² Capex calculated as payments to acquire property, plant and equipment as well as intangible assets, excluding potential acquisitions

³ Excluding potential acquisitions

Impacts of IFRS 16 in 2019 (based on current estimates)



	IFRS 16 on	Effect	FY 2019
P&L	Sales	↔	No effect
	Expenses (from leasing)	↘	Decrease by ~€ 7m
	Depreciation	↗	Increase by ~€ 7m
	Interest expenses	↗	Increase by ~0.5m
	EBITDA	↗	Increase by ~€ 7m
	EBIT	↔	No significant effect
	Earnings after tax	↔	No significant effect
Balance sheet	Assets	↗	Increase by ~€ 25m
	Liabilities	↗	Increase by ~€ 25m
	Equity ratio	↘	Decrease by ~2pp
Cash flow	Cash flow from operating activities	↗	Increase by ~€ 7m (due to depreciation)
	Cash flow from investing activities	↔	No effect
	Cash flow from financing activities	↘	Decrease by ~€ 7m (due to new liabilities item)
	Cash and cash equivalents	↔	No effect

Financial Calendar 2019

March, 26	Publication of 2018 Annual Results
May, 9	Annual General Meeting 2018
May, 28	Publication of Q1 2019 Results
August, 22	Publication of Q2 2019 Results
November, 21	Publication of Q3 2019 Results

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Key figures – FY 2018



(€ m)	FY 2018	FY 2017	yoy
Sales Europe	463.8	441.2	5%
Sales North America	145.6	118.5	23%
Sales Asia, Pacific and Africa (APA)	146.0	141.6	3%
Sales JOST Werke Group	755.4	701.3	8%
Adjusted EBIT ¹	81.2	76.4	6%
<i>Adjusted EBIT margin</i>	<i>10.7%</i>	<i>10.9%</i>	<i>(0.2) pp</i>
Adjusted net income ²	51.6	44.6	16%
Adjusted EPS (€) ³	3.46	2.99	16%
Proposed DPS (€)	1.10	0.50	120%
Capex	19.9	19.3	3%
<i>Capex (% of sales)</i>	<i>2.6%</i>	<i>2.7%</i>	<i>(0.1) pp</i>
ROCE ⁴	20.3	19.8%	0.5 pp
Cash conversion rate ⁵	80.1%	79.6%	0.5 pp
Leverage ratio ⁶	0.85x	1.20x	(0.35)

¹ Operating profit adjusted for PPA effects and exceptionals

² Adjusted for exceptionals, PPA, shareholder loan effects and deferred taxes

³ Pro forma for 2017 assuming same number of shares (14,900,000)

⁴ LTM adj. EBIT/ interest-bearing capital employed; interest-bearing capital: shareholders' equity + financial liabilities – liquid assets + provisions for pensions

⁵ Adj. EBITDA – Capex / adj. EBITDA

⁶ Net debt / adj. EBITDA

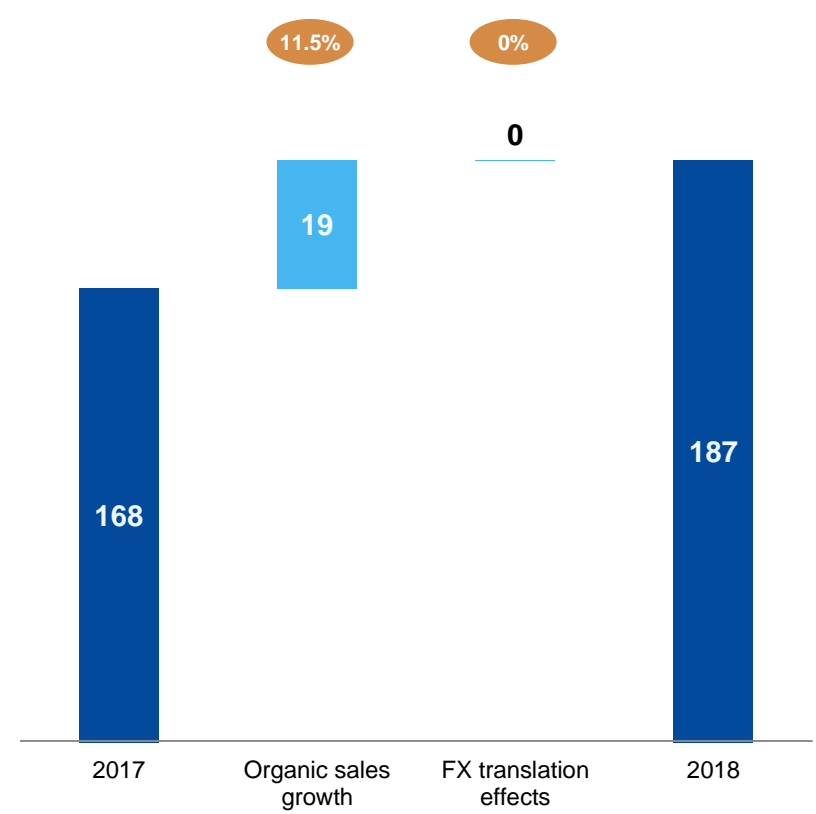
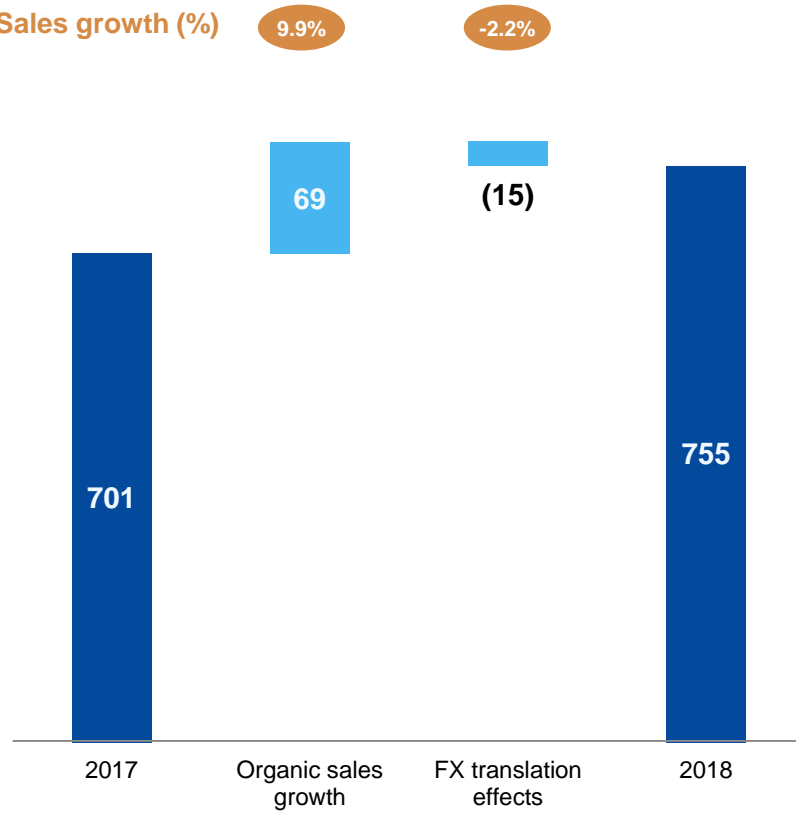
Organic sales development



Sales FY (€m)

Sales Q4 (€m)

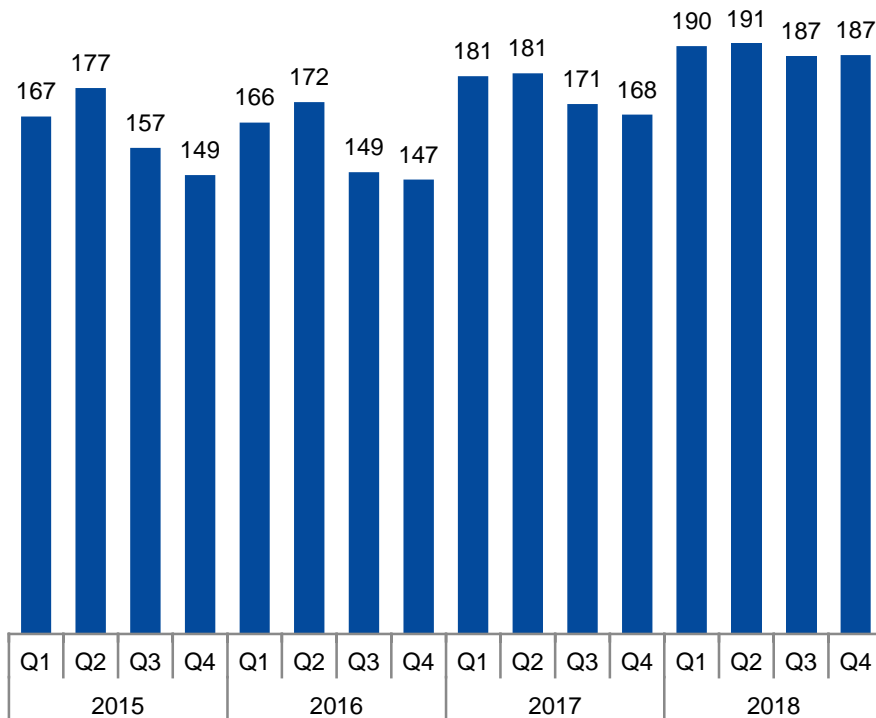
Sales growth (%)



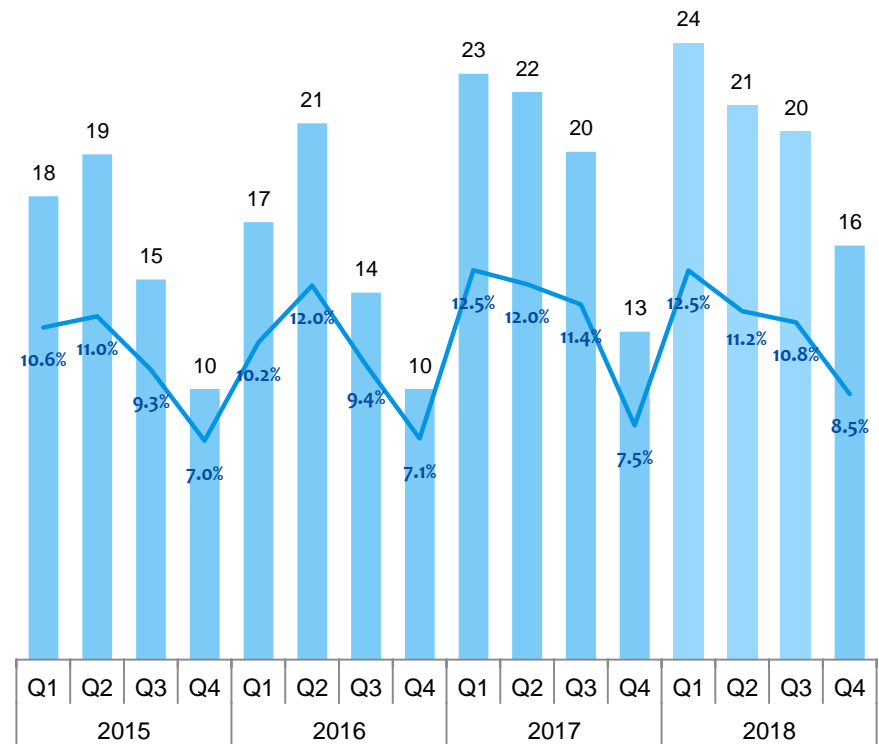
Group's sales and adjusted EBIT by quarter



Sales (€m)



Adj. EBIT (€m)



Typical seasonality for Q4 was not as pronounced as in previous years, especially due to strong performance in North America segment

Reconciliation of earnings



(€m)	FY 2018 Reported	Refinancing	PPA D&A	Other effects	Adjustments total	FY 2018 Adjusted
Sales revenues	755.4					755.4
Cost of sale	(560.1)			0.4	0.4	(559.8)
Gross profit	195.3			0.4	0.4	195.6
Selling expenses	(88.5)		25.4		25.5	(63.0)
thereof: D&A of assets	(26.3)					(0.9)
Research and development expenses	(12.7)					(12.7)
Administrative expenses	(44.8)	0.6		1.5	2.1	(42.6)
Other income / (expenses)	0.8					0.8
Share of JV profit	3.0					3.0
Operating profit (EBIT)	53.2	0.6	25.4	2.0	28.0	81.2
Net finance result	(9.7)	2.2			2.2	(7.4)
Profit / loss before tax	43.5	2.8	25.4	2.0	30.2	73.8
Income taxes	9.9					(22.1)
Profit / loss after taxes	53.5					51.6
Number of shares	14,900,000					14,900,000
Pro forma earnings per share (in €)	3.59					3.46

Balance sheet



Assets (€m)	Dec 31, 2018	Dec 31, 2017	Equity and liabilities (m€)	Dec 31, 2018	Dec 31, 2017
Noncurrent assets	309.6	336.7	Equity	251.6	209.3
Intangible assets	203.7	232.1	Subscribed capital	14.9	14.9
Property, plant, and equipment	82.8	80.0	Capital reserves	499.4	522.4
Investments accounted for using the equity method	11.3	10.5	Other reserves	(33.9)	(30.2)
Deferred tax assets	10.3	12.5	Retained earnings	(228.8)	(297.8)
Other noncurrent assets	1.4	1.5	Noncurrent liabilities	240.4	295.8
Current assets	310.4	285.3	Pension obligations	58.7	59.3
Inventories	110.9	96.9	Other provisions	1.8	2.6
Trade receivables	109.7	105.9	Interest-bearing loans and borrowings	150.7	177.8
Receivables from income taxes	5.7	3.6	Deferred tax liabilities	24.5	49.6
Other current financial assets	1.4	0.7	Other noncurrent financial liabilities	0.7	0.0
Other current assets	16.6	11.9	Other noncurrent liabilities	4.1	6.6
Cash and cash equivalents	66.1	66.3	Current liabilities	127.9	116.9
Total assets	620.0	622.0	Pension obligations	1.8	2.2
			Other provisions	13.6	18.5
			Interest-bearing loans and borrowings	0.2	0.0
			Trade payables	80.8	72.6
			Liabilities from income taxes	7.1	5.2
			Contract liabilities	2.7	0.0
			Other current financial liabilities	1.0	0.8
			Other current liabilities	20.8	17.6
			Total equity and liabilities	620.0	622.0

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